

**MEMORANDUM OF UNDERSTANDING (MOU)**  
**BETWEEN**  
**THE NATIONAL ENERGY BOARD OF CANADA (NEB)**  
**AND THE**  
**COMISIÓN REGULADORA DE ENERGÍA OF THE UNITED**  
**MEXICAN STATES (CRE)**

The *Comisión Reguladora de Energía (CRE)* and the *National Energy Board (NEB)* hereinafter referred as “the Participants”.

**WHEREAS**, the National Energy Board (the Board or NEB) is Canada’s national energy regulator responsible for regulating aspects of the energy industry in Canada including the construction and operation of interprovincial and international pipelines; pipeline traffic, tolls and tariffs; the construction and operation of international powerlines; the export and import of natural gas; the export of oil and electricity; and the exploration and drilling for, production, conservation, processing and transportation of petroleum in the non-Accord frontier<sup>1</sup> offshore areas;

**WHEREAS**, the *Comisión Reguladora de Energía (CRE)* is an agency of the Centralized Public Administration as a Coordinated Energy Regulator of the United Mexican States, possessing its own legal status and assets. The CRE regulates and promotes the efficient development of the following activities: transportation, storage, distribution, compression, liquefaction, and regasification, as well as sale to the public of oil, natural gas, liquefied petroleum gas, petroleum products, and petrochemicals; the transportation by pipeline, storage, distribution, and sale to the public of bioenergy products, and the generation of electricity, public transmission and distribution of electricity services, transmission and distribution of electricity that is not a part of the public service, and the marketing of electricity, and

**WHEREAS**, the Participants intend to share experiences, lessons learned and best-practices designed to enhance their respective regulatory frameworks.

**THE PARTICIPANTS HAVE REACHED THE FOLLOWING UNDERSTANDING:**

**I – Purpose**

The Participants wish to work together to deepen their knowledge in the areas outlined in

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<sup>1</sup> The National Energy Board has regulatory responsibilities for oil and gas exploration and activities in frontier lands not otherwise regulated under joint federal/provincial accords.

this Memorandum of Understanding (MOU), with a view to improving regulatory outcomes in their respective jurisdictions.

## II - Areas of Cooperation

### 1. Liability Regimes, Damage Prevention and Performance Measurement

The issue of liability for pipeline damages manifests differently in the Participants' respective jurisdictions. As such, the Participants wish to share information and compare experiences on liability and spill response regimes, compliance and enforcement framework and tools as well as the measurements of the performance of such frameworks and tools.

In particular, the NEB has the intention:

- a) To provide CRE with a comprehensive overview of the recently adopted *Pipeline Safety Act*, and of the National Energy Board Pipeline Damage Prevention Regulations;
- b) To provide CRE with an overview of its approach to assessing companies' comprehensive management systems as a means of ensuring a robust oversight, and
- c) To share its Safety Culture indicators, management systems manuals, performance measures developed under the Departmental Results Framework, and associated ongoing work to apply all those performance indicators in a constructive manner.

Additionally both Participants intend:

- a) To share and compare information on their respective performance outcomes with a view to identifying best practices, and
- b) To explore opportunities for alignment between their respective regulatory approaches in this area.

### 2. Approaches to Lifecycle Oversight<sup>2</sup>

CRE is currently exploring ways in which to make their permitting scheme more efficient. CRE's Lifecycle Oversight project seeks to improve internal management, increase transparency, enhance stakeholder participation, reduce compliance costs of regulation, and disclose relevant information for internal and external decision-making. The NEB's expertise and cooperation in the matter would be of great assistance for CRE's purposes.

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<sup>2</sup> Providing oversight over the life cycle of regulated pipeline facilities from the design and review of the project through to, if the project is approved, the construction, operation and eventual abandonment of the pipeline facility.



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Meanwhile, the NEB has been exploring ways to strengthen its Lifecycle Oversight through different means, such as:

- a) The establishment of regional offices, and
- b) The establishment of Emergency Management Committees.

The Participants have the intention of sharing information with respect to these matters with a view to identifying best practices relating to the stewardship role played by the Participants with respect to Lifecycle Oversight.

### **3. Transparency through Information Management**

Both Participants understand that transparency and information management are critical factors for public trust in the Participants.

In particular, the CRE has developed a web-based registrar which they wish to expand to the National Agency for Safety and Environmental Protection of the Hydrocarbons Sector of the United Mexican States (ASEA by its Spanish acronym), with a view to establishing a « single-window » to interact with the government and its agencies, the permit holders and the general public. CRE intends to share the knowledge it has gained in this area with the NEB and the NEB intends to cooperate with CRE by sharing the development of its internal process for information collection.

The NEB has developed Data Visualizations and an associated energy information portal for Canadians. The NEB intends to share information, technology and lessons learned in this area with CRE.

### **4. Further collaboration efforts with other authorities**

The NEB intends to facilitate contact between CRE and the Canadian electricity market monitoring agencies as CRE continues to develop its capacity to monitor markets in the power sector.

The CRE intends to help facilitate contact between NEB and the Ministry of Energy of the United Mexican States (SENER by its Spanish acronym) to exchange best practices on social impact consultations, as well as with ASEA to exchange best practices to reduce environmental impacts.

In addition to the foregoing, the Participants may also cooperate through ongoing dialogue and open information exchanges on matters relating to:

- a) Their respective regulatory approaches and best practices;
- b) Their respective management practices, and



- c) Developments in the Canadian and Mexican energy markets and related matters, including updates on specific energy projects that are already in the public domain and, any other areas or activities that are of mutual benefit and interest.

### **III - Work Plans**

The Participants intend to formulate Work Plans in order to collaborate in the areas of cooperation referred in Section II of this MOU, which would specify the activities to be developed, considering the following aspects: objectives and activities; work calendar; assigned staff, if applicable costs; responsibilities; allocation and availability of human resources, and any other information deemed necessary.

### **IV – Contacts and Monitoring**

The following are the titles of each Principal for each Participant and their contact information for the purposes of carrying out this MOU:

#### **For the NEB**

##### **Principal:**

Chief Operating Officer

##### **Supported by:**

- Executive Vice-President, Regulatory Affairs.
- Vice-President, Systems Operations.
- Vice-President, Field Operations.
- Vice-President, Integrated Energy Information and Analysis.

##### **Contact information:**

517 10<sup>th</sup> Ave SW  
Calgary, Alberta  
T2R 0A8  
Telephone: 1-403-292-4800

#### **For CRE**

##### **Principal:**

General Director of Planning and International Affairs.

##### **Supported by:**

- Head of Petroleum Products Unit.
- Head of Natural Gas Unit.
- Deputy Director of Planning and Evaluation.
- Director of International Affairs.

##### **Contact information:**

Boulevard Adolfo López Mateos 172,  
Merced Gómez, Benito Juárez, 03930,  
Ciudad de México, CDMX  
Telephone: 55 5283 1515



The Participants may jointly schedule meetings, alternating between the United Mexican States and Canada, targeting at least one in-person meeting annually, to discuss progress achieved under this MOU.

The first in-person meeting could take place in Mexico, if the Participants' agendas allow it.

Additionally, the Participants will endeavour to maintain regular communication by phone or email. A teleconference presided by the Principals should be held every quarter to assess progress and to plan work.

#### **V - Protection of Information**

The Participants will treat information exchanged pursuant to this MOU in accordance with their applicable laws.

Information to be shared between the participants will usually be information that is in the public domain within the Participants' respective jurisdictions or that could be released without breaching any confidentiality or privacy concerns. If any confidential information is shared, such information will be identified as such and will be handled as confidential by each Participant in accordance with their respective legislation.

#### **VI – Effects of the MOU**

This MOU is not legally binding on the Participants and does not impose, nor is intended to impose, any legal commitments on, or give rise to any legal rights not otherwise held by the Participants.

Each Participant will notify the other Participant of any change to its enabling legislation, related regulations or policies that may impact this MOU as soon as practicable after having discovered any such change.

#### **VII. Relationship between Participants**

Each Participant is autonomous and will accomplish the activities provided in this MOU in accordance with their respective powers and applicable legislation.

Each Participant recognizes their mutual independence and their fundamental responsibility to regulate in the best interests of their respective jurisdictions, according to their respective mandates.



**VIII. Costs**

Each Participant will pay for its own costs related to the activities under this MOU, subject to the availability of its staff and financial resources in accordance with the applicable laws, regulations, and policies, which they are subject to.

**IX. Final Dispositions**

This MOU is applicable from its signature for an indefinite period, subject to the following:

- a) The Participants intend to jointly review this MOU every three (3) years.
- b) Any Participant may terminate this MOU at any time, by providing at least sixty (60) days' written notice to the other Participant.
- c) The Participants may modify this MOU at any time by mutual written consent, specifying the date on which the amendments would be applicable.

Signed in duplicate in Spanish, English and French, all versions being equally valid.

**FOR THE NATIONAL ENERGY BOARD**

**FOR COMISIÓN REGULADORA DE ENERGÍA**



**Peter Watson  
Chair and CEO**



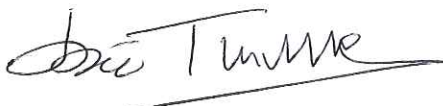
**Guillermo Ignacio García Alcocer  
Chairman**

Place and date: Calgary, AB.  
June 9, 2017

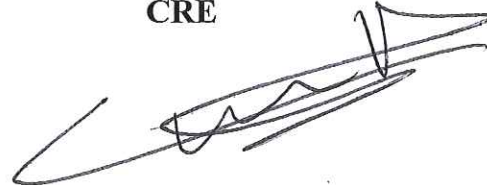
Place and date: Mexico City  
June 5th, 2017

**HONORABLE WITNESS  
NEB**

**HONORABLE WITNESS  
CRE**



**Josée Touchette  
Chief Operating Officer**



**Alejandro Chanona Robles  
General Director of Planning and  
International Affairs**